

ANNOUNCEMENT: COMPANY UPDATE & VOLUNTARY SUSPENSION

Silver Mines Limited (“the Company”) advises that it expects to complete its financing arrangements immediately after obtaining shareholder approval at the Extraordinary General Meeting (EGM) to be held on 6th June 2016. The Company will request the ASX to lift the voluntary suspension on 14 June 2016.

The Company is well advanced on planning for a substantial drilling campaign at the Bowdens Silver Project. It is expected that the program will consist of a total of approximately 15,000 metres of Reverse Circulation and Diamond drilling. It will involve both resource drilling and exploration drilling proximate to the current Bowdens resource area.

The above is subject to completion of the proposed transaction with Silver Investment Holdings Australia Limited (“SIHA”), all requisite regulatory approvals and financing arrangements.

Yours faithfully
Silver Mines Limited



Trent Franklin
Company Secretary

Released: 31st May 2016